

Message Text

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67

ACTION ARA-10

INFO OCT-01 ISO-00 PER-01 MMO-01 AID-05 ABF-01 FS-01 SP-02

SS-15 NSC-05 OMB-01 /043 W
----- 110787

P 170115Z FEB 76

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 310

LIMITED OFFICIAL USE SECTION 1 OF 2 GUATEMALA 1287

FROM ROCAP

EO 11652: N/A

SUBJECT: NSC UNDER SECRETARIES COMMITTEE REQUEST FOR REVIEW OF
AGENCY'S OVERSEAS REGIONAL OFFICES

A. THERE ARE CURRENTLY 30 USDH SLOTS; 26 USDH ARE ON
BOARD, WITH 52 DEPENDENTS.

B. SIX PROFESSIONAL FNDH PLUS 26 CLERICAL FNDH.

C. ROCAP'S PRINCIPAL OBJECTIVE IS THE FURTHERING OF CENTRAL
AMERICAN ECONOMIC INTEGRATION. IT ALSO IS RESPONSIBLE
FOR PROVIDING SELECTED SERVICES TO THE FIVE BILATERAL
AID MISSIONS IN CENTRAL AMERICA. IT ALSO HAS POLITICAL
AND ECONOMIC ANALYSIS/REPORTING RESPONSIBILITIES.

D. (1) GUATEMALA, EL SALVADOR, HONDURAS, NICARAGUA
AND COSTA RICA, OCCASIONALLY PANAMA.

(2) 368 TRIPS DURING 1975; AVERAGE 30 TRIPS PER MONTH.

(3) TOTAL TELEPHONE AND TELEGRAM OVER TOTAL
OPERATING EXPENSES IS APPROXIMATELY ONE PERCENT.

(4) MANAGEMENT OF ACTIVE LOAN PORTFOLIO OF
\$138.9 MILLION, PLACED PRINCIPALLY WITH
THE CENTRAL AMERICAN BANK FOR ECONOMIC
INTEGRATION (CABEI); MANAGEMENT OF
TECHNICAL ASSISTANCE GRANT PROGRAM OF
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ABOUT \$2,000,000 ANNUALLY; ANALYSIS AND

REPORTING OF REGIONAL TRENDS AND ISSUES;
SERVICING OF FIVE BILATERAL USAIDS.

E. BASED ON FY 76 MOB, TOTAL IS \$2,385,249.

(1) \$944,249 US SALARIES AND BENEFITS INCLUDING
ROCAP SHARE OF HOUSING PERSONNEL (SER/H
BEARS PART OF COST).

(2) \$526,835 SALARIES AND BNEFITS (INCLUDING
CONTRACT PERSONNEL).

(3) \$52,300 FOR PERSONNEL (INCLUDING TDY),
\$105,900 FOR HOUSEHOLD EFFECTS, TOTAL 158,230

(4) \$20,000 (TRANSPORTAION) PLUS \$76,270
(PER DIEM), TOTAL \$96,270.

(5) \$185,156

(6) ACTUAL \$10,381 PLUS 15 PERCENT TEMPORARY FOR
DISASTER PEIOD EFFECTIVE FEBRUARRY 14
\$58,368, TOTAL \$68,749

(7) \$34,054.

(8) OFFICE SPACE AND MAINTENANCE \$176,407

(9) \$50,000 (INCLUDES NEW TELEPHONE
INSTALLATION \$35,000).

(10) \$56,000

(11) \$88,699

F. THE ONLY REIMBURSEMENT IS MEDICAL EXPENSE BUDGET
(INCLUDED IN ITEM E-11) OF \$18,500 WHICH IS REIMBURSED
FOR APPROXIMATELY 75 COST FROM EMPLOYEE MEDICAL
INSURANCE CLAIMS.

G. SHARED ADMIN. SUPPORT FROM EMBASSY (SEE E-10
ABOVE); ROCAP/USAID ADMINISTRATIVE AND CONTROLLER
OFFICIES ARE JOINT OPERATIONS.

#. FOR ADMINISTRATIVE AND CONTROLLER ACTIVITIES SEE
ABOVE (WE ESTIMATE THAT 60 PERCENT OF THEIR TIME IS SPENT
ON ROCAP MATTERS, 40 PERCENT ON USAID/GUATEMALA MATTERS).
ROUGHLY QP-15 PERCENT OF TIME OF ENGINEERS, LAWYER,
PROCUREMENT SPECIALIST AND ECONOMIST ARE SPENT ON
BILATERAL MATTERS IN GUATEMALA. OF THESE FOUR
TYPES OF SKILLS, USAID/G HAS ONLY ECONOMICS CAPACITY
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ON ITS OWN STAFF.

I. 20 USDH 5 FNDH

(1) SAME AS D-1

(2) AVERAGE OF 30 PERCENT

(3) SAME AS E-4

J. 39 DEPENDENTS

K. (1) \$176,407 OFFICE SPACE AND MAINTENANCE
(2) \$185,156
(3) DISCONTINUED 8/31/75; REINSTATED AT 15 PERCENT
EFFECTIVE 2/14/76 DUE EARTHQUAKE
(4) \$34,054
(5) NONE

L. \$8,000 ESTIMATED; FY 75 ACTUAL \$6,070

M. (1) THE FOREGOING INVOLVE EXTENSIVE ALTHOUGH
FAR FROM 100 PERCENT OFFSHORE EXPENDITURE
WE ASSUME, HOWEVER, THAT IN THIS DAY OF
FLOATING EXCHANGE RATES AND SUBSTANTIAL
US TRADE SURPLUSES, THIS KIND AND MAGNITUDE OF
EXPENSE DOES NOT POSE A MAJOR PROBLEM.

(2) NONE AVAILABLE

(3) IN ADDITION TO SERVICES PROVIDED TO FIVE
BILATERAL USAIDS, ROCAP DOES ECONOMIC
AND POLITICAL ANALYSIS AND REPORTING
WHICH IS USED BY THE FIVE EMBASSIES
(AS WELL AS THE USAIDS) AND VARIOUS
WASHINGTON AGENCIES AS WELL.

(4) ROCAP IS THE US MISSION TO THE CENTRAL
AMERICAN INTEGRATION MOVEMENT. ITS
EXISTENCE AND FUNCTIONING IS THE SUBJECT
OF AN INTERNATIONAL AGREEMENT SIGNED
BY THE FIVE CENTRAL AMERICAN COUNTRIES
AND THE US ON OCTOBER 30, 1965.

WHILE ROCAP ALSO PROVIDES SERVICES TO
THE FIVE BILATERAL USAIDS, ITS PRINCIPAL ROLE,
AND THE ONE THAT ABSORBS MOST OF ITS STAFF
TIME, IS TECHNICAL AND CAPITAL ASSISTANCE
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TO THE INTEGRATION MOVEMENT. IT IS A PREMISE
OF US POLICY THAT INTEGRATION WILL ACCELERATE
THE ECONOMIC AND SOCIAL DEVELOPMENT OF CENTRAL
AMERICAN AND IS, ACCORDINGLY, AN IMPORTANT
OBJECT OF US POLICY.

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ACTION ARA-10

INFO OCT-01 ISO-00 PER-01 MMO-01 AID-05 ABF-01 FS-01 SP-02

SS-15 NSC-05 OMB-01 /043 W

----- 111039

P 170115Z FEB 76

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 311

LIMITED OFFICIAL USE SECTION 2 OF 2 GUATEMALA 1287

FROM ROCAP

EO 11652: N/A

SUBJ: NSC UNDER SECRETARIES COMITE REQUEST FOR REVIEW OF
AGENCY'S OVERSEAS REGIONAL OFFICES

N. THE JUSTIFICATION OF ROCAP, ITS STAFFING, AND ITS
RELATIONSHIP WITH THE FIVE BIALTERAL USAIDS WAS FIRST
EXAMINED BY THE TASK FORCE ON AID ORGANIZATION IN
CENTRAL AMERICA, COMPRISED OF LA AND SER BUREAU PERSON-
NEL, IN COTOBER OF 1972. THE TASK FORCE REEXAMINED
AND ESSENTIALLY RECONFIRMED ITS FINDINGS IN APRIL OF
1974. THE NEW DAP, COMPLETED IN DECEMBER OF 1975,
WHILE IT MODIFIES PROGNOSIS AND STRATEGY AND IMPLIES
A STAFFING REDUCTION, TENDS TO RECONFIRM THE RAISON
D'ETR IMPLIED BY THE EARLIER TWO STUDIES. DRAWING
ON THESE THREE EFFORTS, WHICH WE RECOMMEND BE READ
BY THE COMITE, WE SUBMIT THE FOLLOWING AS REASONS
WHY ROCAP COULD NOT EFFECTIVELY OPERATE FROM THE U.S.:
ROCAP ADMINISTERS A LARGE AND COMPLICATED LOAN AND
TECHNICAL ASSISTANCE GRANT PROGRAM. THE SAME
RATIONALE WHICH ARGUES FOR MAINTAINING USAID MISSIONS
IN COUNTRIES, AS CONTRASTED WITH THE IBRD APPROACH
FOR EXAMPLE, ARGUES FOR MAINTAINING ROCAP IN CENTRAL
AMERICA: THE NEED TO DEVELOP AN IN-DEPTH
UNDERSTANDING OF THE ENVIRONMENT, INSTITUTIONS, AND
PEOPLE WITH WHICH WE WORK AND PARTICULARLY THE NEED
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FOR DAY-TO-DAY CONTACTS WITH THE SEVERAL INSTITUTIONS
WE ASSIST. BEING ON THE SPOT IS FURTHER NECESSITATED
BY THE NEED TO COORDINATE OUR ACTIVITIES CLOSELY WITH

THE FIVE BILATERAL USAIDS-AND THEIRS WITH OURS. OUR ANALYSIS AND REPORTING RESPONSIBILITIES ALSO REQUIRE FULL IMMERSION IN CENTRAL AMERICA.

WE FIND THESE COMPELLING REASONS FOR CONTINUING ROCAP IN CENTRAL AMERICA. WHILE IT CAN BE ARGUED THAT THE SERVICING FUNCTION; WHEN VIEWED ALONE, COULD BE OPERATED OUT OF WASHINGTON, IF THERE IS GOING TO BE A REGIONAL MISSION IN CENTRAL AMERICA BECAUSE OF POLICY/STRATEGY/PROGRAM CONSIDERATIONS, THEN IT MAKES SENSE TO LOCATE THE SERVICING FUNCTION IN CENTRAL AMERICA AS WELL. WHILE IT IS POSSIBLE THERE WOULD BE A MONEY SAVING (KEEP IN MIND THAT THE SERVICING IS DONE PRINCIPALLY BY SIX PEOPLE), THERE WOULD ALSO BE SOME MAJOR NON-FINANCIAL COSTS:

(1) IN TIME LOST TRAVELING.

(2) IN ASSURING RESPONSIVENESS TO CENTRAL AMERICAN NEEDS (IT IS HARD TO SEE HOW A WASHINGTON-BASED SERVICING OPERATION COULD WITHSTAND PRESSURES TO PROVIDE SERVICES ELSEWHERE INCLUDING IN WASHINGTON).

(3) IN MORALE.

WE SEE NO ADVANTAGES TO MOVING ROCAP TO ANOTHER CENTRAL AMERICAN COUNTRY. THE HEADQUARTERS OF THE CENTRAL AMERICAN ECONOMIC INTEGRATION MOVEMENT IS IN GUATEMALA, WHERE THE SECRETARIAT OF THE MOVEMENT (SIECA) IS LOCATED. ROCAP CARRIES OUT MANY OF ITS EFFORTS IN FURTHERANCE OF ITS INTEGRATION MANDATE THROUGH THE SECRETARIAT, AND MAINTAINS VIRTUALLY DAILY CONTACT WITH PERSONNEL OF SIECA TO THIS END. TWO OTHER CENTRAL AMERICAN INSTITUTIONS WHICH ROCAP ASSISTS ARE ALSO LOCATED IN GUATEMALA CITY; THE CENTRAL AMERICA AND PANAMA NUTRITION INSTITUTE (INCAP) AND THE CENTRAL AMERICAN INSTITUTE OF LIMITED OFFICIAL USE

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RESEARCH AND INDUSTRIAL TECHNOLOGY (ICAITI). FOR A MORE DETAILED EXAMINATION OF THIS QUESTION, SEE PAGE 12 OF THE FIRST CA TASK FORCE REPORT, PAGE THREE OF THE SECOND REPORT.

THE POSSIBILITIES OF (1) DISTRIBUTING ROCAP'S FUNCTIONS AMONG THE BILATERAL USAIDS, AND (2) CONSOLIDATING BILATERAL USAID FUNCTIONS IN ROCAP WERE EXAMINED BY THE CA TASK FORCES. THE CONCLUSION: THERE ARE DISCREET SETS OF FUNCTIONS AND RESPONSIBILITIES WHICH MAKE FOR WORKLOADS WHICH ARE BEST

MANAGED SEPARATELY AT NATIONAL AND REGIONAL LEVELS.

FINALLY, WE WISH TO POINT OUT THAT THE REVIEW
ATTENDANT TO DEVELOPMENT OF THE DECEMBER 1975 DAP
WILL RESULT IN A REDUCTION FROM 33 SLOTS TO ABOUT 25.
HARRISON.

DECON DEC 31, 1980.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976GUATEM01287
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760058-0552
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760244/aaaabmjm.tel
Line Count: 285
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Margaret P. Grafeld
Declassified/Released
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EO Systematic Review
04 MAY 2006

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Secure: OPEN
Status: NATIVE
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TAGS: APER, GT, ROCAP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006